# NEW-YORK, WEDNESDAY, MARCH 11, 1874.-WITH SUPPLEMENT.

## WASHINGTON.

THE FINANCIAL QUESTION. DISAGREEMENT OF THE FINANCIAL DOCTORS OF THE ROUSE-A SPEECH BY MR. BECK, IN WHICH HE DISPUTES THE CORRECTNESS OF MR. GARFIELD'S

[BY TELEGRAPH TO THE TRIBUNE.] WASHINGTON, March 10 .- The financial dectors of the House continue to disagree about their patient, the Treasury Department. While some insist that the patient is now out of danger, and will soon be in a state of robust health, others maintain that he is in a very low condition and exhibits alarming symptoms. The latter class are at loggerheads with each other as to the causes of the malady and the treatment to be applied, some, like Mr. Garfield, holding that the trouble is a decline, caused by a too sudden reduction of the patient's nutriment, in the shape of revenue, while another class argue with Mr. Dawes that the complaint is a fever, resulting

from extravagant and luxumous habits. To-day Mr. Beck drew a diagnosis of the case, which corresponded closely with that of Mr. Dawes. He said that Mr. Garfield's figures, showing a reduction of expenditures for the past few years, were deceptive, and that when the appropriations for inscrest on the debt and for the sinking fund were deducted from the totals the expense account stood as

1871 \$134,000,000 | 1273 \$140,000,000 | 1872 \$138,000,000 | 1874 \$172,000,000 | 1874 \$172,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$180,000,000 | 1874 \$

said, by the reduction of the principal of the debt. which reduced the annual appropriation for interest and enabled the party in power to increase largely the expenses of nearly all branches of the public service, while exhibiting a slight annual decrease in the total yearly appropriations for all purposes Another source which had been drawn upon to support the extravagance of the Administration was the fund derived from the sales of Government property, amounting since the war to nearly \$200,000,000 which had been spent without figuring in the appropriation bills, and in defiance of a law making it embezzlement for any official to pay out any money in excess of the amount appropriated by Congress for the specific purpose ter which the disbursement is made. He declared that many prominent officials would be in the Penitentiary to-day if the law had been enforced. A large part of Mr. Beck's speech was devoted to an attempt to prove that he had not made a mistake when, on a previous occasion, he and Mr. Gar field had had a dispute about the amount of appropriations and estimates for the current year. He again insisted that the appropriations had ex-AN ded the estimates by \$15,000.000. He also asserted that Mr. Dawes's figures in his speech were correct as first delivered, and not as revised by him at Mr.

Mr. Dawes replied that, after a full examination, he was convinced that Mr. Garfield was right in that instance, but that Mr. Beck's statement of the an nual expenditure, exclusive of the interest and sinking fund, was right and Mr. Garfield's wrong. Mr. Garfield showed that the estimates for the present year were \$332,000,000, instead of \$308,000,000, as Mr. Beck had stated, and were far beyond the total ap-

## THE DISTRICT DISCLOSURES.

ONESTY AND DUPLICITY OF THE DISTRICT OFFI CIALS-HOW THE SCHOOL FUND WAS TAMPERED WITH-THE FIRST CHARGE OF THE MEMORIAL-INTE AGAINST THE BOARD OF PUBLIC WORKS. [BY TELEGRAPH TO THE TRIBUNE.]

WASHINGTON, March 10 .- The dishonesty and duolicity of the District of Columbia officials was theroughly exposed to-day by a brief analysis made by Mr. Merrick, counsel for the citizens, of facts in relation to the school fund, and afterward by an examination of Controller Baker, by Mr. Wilson, The teachers in the District have received no money for their services for the past six months, and the question was raised, not by the memorialists, but by members of the Committee and others, what had become of the money derived from taxes for this purpose and forbidden by law to be diverted. on was that it had been used for other purposes, but the Governor, the Controller. and the Tax Collector came upon the stand and swore that none of the school fund had been diverted; that the District Government instead of being indebted to the school fund had advanced to it \$173,000, or in other words, the school fund had been overdrawn \$173,000. To show this they added to the total amount of money derived from taxes \$215,000 borrowed on bonds deposited as collateral, and paid for school buildings and teachers salaries during the early months of the present District Government.

This statement looked very plausible on its face, and everybody who was disposed to deal fairly with the District Ring was ready to admit that the school fund had been honestly administered. But these men had told only one-half of the story. The \$215,000 was paid not to liquidate claims that arose under the present Government, but under the old corporation. These claims were paid by the present Government, and charged in an account current to the old corporation. On the 3d of March. 1878, a settlement of accounts between the old corperation and the existing Government was made, and the District Government received, to pay the balance due, between \$900,000 and \$1,000,000 of the sinking fund bonds. In that settlement the District Government was reimbursed for the expenditure of \$215,000 on account of schools.

Thus it will be seen that in order to make it ap pear that the school fund was indebted to the District Government, the Governor, Controller, and other officials charged the school fund with the \$215,000 advanced; but when the money was reimbursed they neglected to credit the school fund with it. When the proper credit entry is made on the Controller's books, the school fund, instead of appearing overdrawn, will show a balance on hand of \$42.548. This amount, added to the school taxes collected this year, would be sufficient to pay the expenses of the schools of the District up to March 1, 1874. The only conclusion that can be reached is, therefore, that some of the school money has been used for other purposes, and Judge Merrick clinched the case by reading from the statutes at large an act of (Congress making it a misdemeanor to divert money, raised by taxes in the District, from the object for which it is raised, and ordering the re-

moval of any officer who is guilty of so doing. Controller Baker, whom Mr. Wilson placed on the stand to testify on this matter, was unable to explain why the school fund had not been credited with the money when it was paid back to the Dis-

trict Government. The memorialists filed their first charge against the Board of Public Works this afternoon. It accases the Board of conspiring with Lewis Clephane Hallett Kilbourn, Moses Kelley, John O. Evans, Mr. Filbert, and others, who have been large contractors, to give them contracts to the exclusion of other bidders and at great expense to the citizens of the District. The specifications, which are numerous, indicate the proof of the formation of a paving ring and the granting of extraordinary privileges to it by the Board.

THE CONGRESSIONAL PRINTING OFFICE. THE CHARGES OF EXTRAVAGANCE MADE BY A WASH-INGTON NEWSPAPER-A STATEMENT OF THE PACTS

PROM A REGULAR CORRESPONDENT OF THE TRIBUNE. WASHINGTON, March 10 .- The investigation of the management of the Congressional Printing-office by se Committee on Appropriations is being continued by the Joint Committee on Printing. The Public Printer. Mr. Clapp. is not charged with ex-

travagance in his expenditures or with improper management of the office, except by a Washington newspaper, which appears to entertain a personal spite against him. The testimony taken shows nothing more than that, in keeping his accounts with the several departments for printing fone for them, he has charged them according to an old schedule of rates adopted before he went into the office, which rates are in some cases considerably higher than regular rates asked for like work by private firms. This is, however, only a matter of bookkeeping, and the Government neither gains nor loses by it. No difficulty would have arisen had it not been for a law passed last year prescribing the value of the work that the office should do for each department. Prior to the

passage of this law, each department ordered as

much printing as it saw fit, and Congress made an

appropriation in gross for the expense of carrying on

To check the extravagance of the departments

Gen. Garfield got the system changed at the last ses-

sion of Congress, and appropriations were made

specifically for the work to be done. The Post-Office Department was allowed \$175,000 for the present year. The Postmaster-General found to his surprise, a short time ago, that this amount was exhausted, and on inquiry learned that he could get much of his work done in New-York at considerably lower prices than charged at the Government office. The principal thing of which he complained was the price charged for the printing of envelopes, which was \$3 per 1,000. It was shown that envelopes printed as required could be had in New-York for about \$2 per 1.000. This was explained, however, by the fact that large sheets of paper fare printed there, and then cut up into envelopes by a machine which the Government office does not possess, instead of each velope being run through the press separately. Mr. Clapp has been instructed to revise his schedule and reduce it to the lowest cost prices, and when this is dene it will be compared with prices obtained from the trade in New-York, Philadelphia, Baltimore, and Washington, in order that it may be seen whether there is really any economy in maintaining a Government Printing-office. The high wages paid to printers in Washington make the cost of the work done in the Government office necessarily high when compared with rates in other cities. The Congressional Printer is obliged to pay the rates prescribed by the Printers' Umon, and as the printers in his ffice make a large majority in the Washington Union, they virtually fix their own compensation. A year ago the Appropriations Committee proposed to limit by law the wages to be paid, but Mr. Clapp informed them that the printers would strike, and

CURRENT TOPICS AT THE CAPITAL. SECRETARY RICHARDSON'S RECOMMENDATION FOR INCREASED TAXATION.

all the public printing would be stopped if this

were done.

WASHINGTON, Taesday, March 10, 1814. Now that all the Republican financiers in Congress, with the solitary exception of Mr. Dawes. have reported that the wolf deficiency is not at the door of the Treasury, the Secretary is anxious to make people believe that he never cried "wolf." He has written to Mr. Roberts, asking him to correct the statement in his recent speech that he had recommended an increase of taxation to the extent of \$42,000,000. To-day, Mr. Roberts made the correction, but very properly took pains to show the House that his statement was a fair inference from the letter which the Secretary sent the Ways and Means Committee, inclosing a schedule of new taxes prepared by the Commissioner of Internal Revenue, which would produce the sum named. Mr. Dawes asked if Mr. Roberts was authorized by Secretary Richardson to say that he had never recommended the enactment of the taxes submitted in the schedule, or that he was not now in favor of any increase of taxation. He had understood the Secretary distinctly to recommend additional taxation, and had tried faithfully to represent his opinions. If he had changed his mind and had chosen another organ to express his views, he (Mr. Dawes) would like to know it. Mr. Roberts disclaimed having any such authority, and said he had no reason to suppose that the Secretary desired any other organ than the Chairman of Ways and Means, on whom the House and Massachusetts were so much in the habit of relying. Some of the members took this reply as an ironical reference to the fact that Mr. Dawes was lately found to be missing when Massachuse its relied upon him to defeat the confirmation of Simmons.

REPRESENTATIVE BROMBERG'S QUARANTINE BILL

Representative Bromberg's bill to establish a National Quarantine system is opposed by many of the New-York members on the ground that it would interfere with the State quarantine establishment. Mr. Bromberg replies to this objection that this would Inot necessarily be the case, for the State officials could enforce any local regulations after the Government officers had examined a vessel. In reply to the objection that it is not a legitimate function of the General Government to look after the health of the people, the author of the bill refers to the fact that in 1865, when the rinderpest prevailed in Canada, Congress prohibited the transportation of cattle except under such regulations as the President might prescribe. If it is competent for Congress to legislate for the health of the cattle of the country, he thinks there can be no question as to its power to make regulations to guard the health of citizens. The chief tions to guard the health of citizens. The chief object of the bill is to protect the Southern scaports from the introduction of yellow fever. Local quarantines have been found to be inefficient. They are almost always enforced too late, because the local authorities hesitate to admit the danger that exists for fear of injuring business by creating alarm among the people, and when they are enforced they do not protect Southern cities from the introduction of the disease by persons who have landed on other parts of the coast and enter them by rail.

A NEWSPAPER CORRESPONDENT EXPELLED

FROM THE SENATE GALLERY. Mr. Perry of Michigan, as Chairman of the Senate committee on Rules, has issued an order that Mr. C. Buell, correspondent of The St. Louis Republion, shall not hereafter be admitted to the Senate reporters' gallery. Mr. Buell was the author of a dispatch to The Detroit Free Press stating that Senator Chandler recently appeared in the Senate Chamber in a beastly state of intoxication, and was taken by Senator Sherman to the room of the Committee Finance, where be lay upon the sofa until the effects of his debauch had passed away. This is the first case in which a correspondent has been expelled from the gallery without a vote of the Senate. The authority of the Committee on Rules is a resolution passed during the extra session of the Senate last Spring, after having been agreed to in the caucus of

WASHINGTON NOTES.

WASHINGTON, Tuesday, March 10, 1874. The Howard Court of Inquiry assembled at noon today. All the members were spresent excepting Col day. All the members were spread to the depth of the word was present with his counsel, Alexander P. Ketchum and George W. Dyer of New-York. The court organized. The seasion was mainly devoted to hearing the correspondence of the War Department relating to the alleged

to-day calling on the Secretary of the Treasury for a statement of the lines and penalties collected for violations of the revenue law from the 30th of November, 1873, the date up to which the previous statement was brought, until the 1st of March, 1874. This was in accordance with the demand of The Tellulus that the record of plunder should be brought down to the latest date and unde complete.

The House Committee on the Judiciary to-day directed Gen. Butler to report back the Bankrupt bill to the House, with the recommendation that the Senate amendments be non-concurred in and that a committee of conference be asked. Mr. Butler is now prepared to make such report. The Committee are nearly equally divided, but the majority are inclined to adhere to the House bill repealing the law.

It is positively asserted here to-night by prominent

the nomination of Gen. Hillyer as General Appraiser of Merchandise, at the request of that gentleman, and that he will send his name to the Senate as Nayal Officer of the Port of New-York, in the place of Mr. Laffin. For Regular Report of Congressional Proceedings see Sixth page.

THE NEW-HAMPSHIRE ELECTION.

A PROBABLE VICTORY FOR THE DEMO-CRATS. THE REPUBLICANS WORK HARD BUT LOSE HEAVILY. CONCORD, N. H., March 10.-The Republicans have

worked hard all day in a driving snow-storm, and now they do not feel thoroughly satisfied with the work. So far, 104 towns show 1,930 Republican loss, and when it is remembered that last year Gov. Straw had only 2,007 plurality, it is easily seen that there is good reason for their feeling anxious. They 'fought a good fight," but the Simmons nomination was felt even here, where Butler is not in good repute. Then, too, Weston is an exceedingly popular man, and he stood on a license platform; while McCutchins's foothold was on a prohibitory plank so thin and frail that almost 2,000 of the voters of the State refused to believe in its stability. The Republicans miss very much the active work of E. A. Rollins, who so long managed the wires in this State with a discrimination and good judgment which in sured victory. Nevertheless the Hon. Daniel Hall of Dover, the Chairman, and the Hon. B. F. Prescott of Concord, the Secretary of the State Committee. have been shrewd and energetic. They have made the most of their men and material, wasting neither time, money, nor speeches.

The Democrats have devoted all their energies to securing an increased representation in the House, and in this they have undoubtedly succeeded. The saddest feature of the election to the Republicans is that there is not a single city or large town whose returns they can contemplate with pleasure. In this city they expect to lose one or two representatives. and the Governor's vote shows a falling off of 81. The Mayor, the Hon. John Kimbal is reflected by a large majority. Nashua does even worse than the most dismal had reason to fear. Weston goes out of the city with 1,069 votes; McCutchins 848, and Blackmer 142, showing a net loss to the Republicans of 341, and no choice of representatives in three wards, the Prohibitionists holding the balance of power. with two Republicans and four Democrats chosen. Other Republican losses are: In Lancaster, 55; Derry, 47; Epping, 43; South New-Market, 57; Lisbon, 44; Keene, 114; Somersworth, 14; Bristol, 26; Peterborough, 37. Among the few Republican gains are 39 in Hopkinton, where Col. E. C. Bagley of The Patriot was defeated. The Senate, as far as heard from, is equally divided. In the IVth District Superintendent George E. Todd of the Northern Railroad is

The contest was very close in Manchester, and the victory was claimed by each party in turn until the returns came in from the last ward, which showed that Weston had carried his own city by a plurality of 210 and a majority of 119. G. Byron Chandler was elected a majority of 48. The loss to the Republicans is 556, and Portsmouth, which makes the best comparative showing yet for the Republicans, reports only 152 gain. The midnight count is as follows: In 145 towns, Weston, 24,851; McCutchins, 24,100; Black ner, 1,374. Net Republican loss, 1,992.

YESTERDAY'S CONTEST-THE DEMOCRATS CLAIMING THE VICTORY-THE LATEST RETURNS-WESTON'S

PLUSALITY AT MIDNIGHT 741. CONCORD, March 10 .- The New-Hampshire State election took piace to-day. The candidates for Governor were Gen. McCatchins, Republican; ex-Gov. Weston, Democrat, and Dr. Blackmer, Prohibitionist. The weather was cold and boisterous, with thick snowqualls, which reduced the anticipated aggregate vote. In to 10 o'clock returns from 52 towns give McCerclans .781; Weston, 8,013; Blackmer, 275. Last year the same owns gave Straw 7,688; Weston, 7,368; Blackmer and scattering, 295. The Democratic net gain in 52 towns is 512. If the remaining towns come in on the same ratio of Republican loss, Weston will be elected by the popplar vote. The Legislature will probably be Republican

but by a close vote. 10:30 p. m .- Returns from 10: towns give McCatchins 16,971, Weston 17,487, and Blackmer 896. The same towns last year gave Straw 16,997, Weston 16,616, Blackmer and scattering 826. Republican loss in 104 towns 968.

11 p. m.—Returns from 131 towns give an aggregate

48.711 Of this vote McCutchins has 22,321. Westen 23,193, Blackmer 1,297. The same towns last year gave Straw 22,169, Weston 21,331, Blackmer and scatter-ing 1,112. Republican loss in 131 towns 1,925.

11:30.-Dover gives McCutchins 572, Weston 881, Blacker 95. Last year-Straw 878, Weston 678, Blackmer 106. Manchester gives McCutchins 1,871, Weston 2,081, Black er 91. Last year-Straw 1,887, Weston 1,546, Blackmer 18 Nashua gives McCutchins 848, Weston 1,006, Blackmer

Nashin gives accidentises, vestor see all control of the Alexander of the onist). cord gives McCutchins 1,414; Weston, 1,033; Black-s. Last year—Straw, 1,517; Weston, 1,150; Black-

ner, 55. Charemont gives McCutchins 520 : Weston, 327 : Black ner, 52. Last year—Straw, 575 : Westom 296 : Blackmer

Franklin gives McCutchins 328; Weston, 356; Black-ner, 7. Last year-Straw, 344; Weston, 304; Blackmer,

NASHUA, March 10.—The Democrats are holding a "jol-NASHUA, March 10.—The Democrats are holding a "joi-dication" meeting, claiming the Governor and House of Representatives with possibly the Senate. March 11—1 a. m.—Returns from 147 towns give an aggregate vote of 54,551. Of this vote McCutchins has 26,345; Weston, 26,685, and Blackmer, 1,521. The same towns last year gave Straw 26,154; Weston, 24,501; Blackman and scattering, 1,356. Republican net loss 2,158.

24,501; Blackman and scattering, 1,356. Republican net loss, 2,158.

There may be no choice for Governor by the people. It is impossible at this hour to state what will be the complexion of the Legislature.

12.—One hundred and forty-three towns show an aggregate vote of 50,328. Of this vote, McCutchins has 24,100; Weston, 24,851; Blackmer, 1,374. The same towns last year gave Shaw 20,902; Weston, 22,859; Blackmer and scattering, 1,196.

Republican loss in 145 towns, 1,992.

MANCHESTER, March 10.—The Democrats are exceedingly jubilized to-night over the result of the election in this city and State. As soon as the result was known a meeting was held at the City Hall at which Gov. Weston and Mr. Chandler, the successful candidate for Scintor from this District, made speeches. The Democrats election candidate for Scintor in the Third District by about 50 majority.

SERIOUS ILLNESS OF SENETOR SUM-NER.

TWO DANGEROUS ATTACKS OF HIS FORMER DISEASE.

WASHINGTON, March 11-2 a. m.-Senator Sumner to-night had two serious attacks of angina pectoris, which have seriously alarmed his friends.

It is a recurrence of his former disease, and is thought to have been brought on by his recent efforts in the Senate Chamber, The Senator is now sleeping quietly. Several friends are at his bedside.

THE NEW-JERSEY LEGISLATURE.

HURRYING UP BUSINESS IN BOTH HOUSES-INTRO-DUCTION OF UNIMPORTANT BILLS - ROUTINE LEGISLATION.

FROM THE REGULAR CORRESPONDENT OF THE TRIBUNE. TRENTON, March 10 .- Business in both Houses was pushed along quite rapidly to-day. Members begin to realize that the nine working days now left before a dissolution of the session is hardly sufficient time for the proper execution of the business before them. But it seems to be generally understood that the Senate will refuse to extend the time beyond the 20th ast. In the Senate, President Taylor offered a bill making all private acts passed by the Legislature liable to a State tax, notwinstanding any clause therein declaring them to be public acts, which is the usual wording of all acts. He also offered two other bills—one to cede jurisdiction of lands of this State mode. one to cede jurisdiction of lands of this State under tidal waters to the United States, to be used as sites for lighthouses, beacons, and other aids to mavigation. The other is a supplement to the election laws, and authorizes the arrest of wildenses refusing to attend in contested election cases, and their confinement for not over

## COMMERCE OPPRESSED.

THE MOIETY SYSTEM UNDER REVIEW.

MPORTANT TESTIMONY AND ARGUMENTS REFORE THE WAYS AND MEANS COMMITTEE-THE SPIES ON THE DEFENSIVE-ANOTHER OF JAYNE'S LAWYERS ACKNOWLEDGED-SPEECH OF JACKSON S. SCHULTZ.

Herewith is presented the fullest statement of the case on investigation by the House Committee of Ways and Means which has yet been published. It comprises a summary of the testimony taken before the Committee yesterday, a complete report of the argument by Mr. Jackson S. Schultz, made before the Committee last Saturday, a careful compilation of the expressed views of several prominent New-York merchants, and sundry communications from business men whose standing in the community entitles them to a careful hearing. In the evidence given by ex-Agent Jayne, yesterday, he acknowledged that Mr. B. F. Butler, now a member of Congress interested in retaining the laws relating to the division of fines, penalties and forfeitures, is and has been also counsel in some of the

#### CRUSHING DEVELOPMENTS.

ALL DOUBT OF COPARTNERSHIP BETWEEN JAYNE AND BUTLER DISPELLED - THE FORMER TURNS STATE'S EVIDENCE AND ACKNOWLEDGES HIS MIS DEEDS-CHARGES OF BRIBERY MADE AGAINST CUSTOM-HOUSE OFFICIALS-REPORT THAT BUT-LER WILL MAKE AN ONSLAUGHT TO: DAY ON THE MERCHANTS.

Washington, March 10.—This has been a bad day for Detective Jayne and his attorney. While the latter was being roasted by Mr. Foster in the House, on the Sanborn business, the former was cogitating on means whereby he might escape some of the dirgrace which hung over him in the Ways and Means Committee. 'To-night's session of the Committee has done the work for the detective. The two worthies, the rogue and his counsel, can keep each other company in their ruin, and join their nentations on the uncertainty of sinful ways.

If there existed in the minds of the members of the Ways and Means Committee any doubt of the copartnership between Jayne and Butler, it was dispelled to-night by testimony which, while not of the best, may nevertheless be taken in this case as wholly convincing. With Butler as the attorney of Sanborn, and also the attorney and adviser of Jayne, and with the trouble that has overtaken the three, the information given to-day by Secretary Richardson, on the floor of the House, that he has suspended the payment of moieties to informers in cases under both the Sanborn contracts and the Custom-house seizures, will be received by the combination of plunderers with feelings not easy to be described. The attorney may yet show some hesi tation to relinguish two clients who promised such heavy tribute to his avarice, but publicity has gone to such an extent that even Batler, with all his andacity and clan, cannot hope to hold the questionable place he has so long filled in the party and in the House of Representatives.

The developments before the Ways and Means Committee this evening were simply crushing, and Mr. Jayne was left without a prop to sustain his despicable proceedings and oppressions; and when he finished his cross-examination be looked as though he had passed through a most trying and exhaustive ordeal. He came on the stand to-day much chastened in appearance, and not only the New-York and Boston Gentlemen who were present, but the members of the Committee, remarked that he was greatly altered in his manner, having lost much of his effrontery and impertinence. It will be remembered that when he first appeared here he announced with a great flourish that the merchants of New-York were a set of thieves, and he would brand them before the Committee; that he would prove it from books, so clear as not to be doubted; and he talked loud and got red in the face at the very idea that the merchants would come here to defend themselves. His next step was to play the patriotic and humility dodge. He told how much he loved his country and how much be had done for her; that he had done no more than the law recognized; country that he had broken down in health; and he even went so far as to allude to his heart-broken wife. His last step was to acknowledge his misdeeds and turn State's evidence.

To-day he was heard for some time and set up a general denial on most of the charges. He denied baying known that Phetps, Dodge & Co. had ever imported goods at an over-valuation, but Mr. Hyde will go on the stand to-morrow and testify that Jayne admitted to him that he (Jayne) had knowledge of the fact, and Mr. Phelps will show from his books, so long in the possession of Jayne, that there were entries showing it, and that in importations the over-valuation were stated in the invoices which passed through the custom-houses. Jayne denied that he had ever taken books except those specified in the warrant in each particular case: but it has already been shown before the Committee that books in large numbers have been taken without any warrant whatever. Jayne said that the books were always in the possession of the Marshal; but the contrary of this has been shown also, and so with many of his statements. He read from notes, and his manner was quiet. To-night, he started off in rather a pyrotechnic style, but soon got down to actual charges, which he made without limit. These charges were of a specific character, and related to the bribing of Custom-house officers. he started by comparing the cries of the oppressed merchants to the assertions of innocence always nade by criminals. He said that so long as the law touched the Jew, Spaniard, and Italian, the American eagle did not scream; but when it came to a question of American merchants going on in busiless their respectability rose. He spent much time in detailing the Government officials that had been bribed-weighers, clerks, and others. He exhibited a large number of books to show how he detected bribery, &c. The fault of all the frauds, according to Jayne, rests with the officers and clerks. but more particularly with the Treasury Department He made the important statement that he had always reported these cases of bribery to the Secretary of the Treasury, but that the clerks were by no means all or-dered to be dismissed. He admitted, after some pretty sharp questioning, that the bribery, as treated, was not sufficient to turn away dishonest officials, but was sufficient to seize the goods, books, and papers of merchants, and subject them to heavy losses beside ruinous fines and penalties.

The effect of the answers was to show that the alleged bribery of clerks and others put immense sums of money into the hands of detectives, inform ers, collectors, naval officers, and surveyors. He did not say to which Secretary of the Treasury he had roported these cases of bribery, nor did he give any reason why the Secretary did not order the clerks

While the merchants here were reasonably satisfied that Gen. Butler had been the counsel of Jayne, and was otherwise mixed up in the Jayne conspiracy, they were nevertheless unwilling to make the charge direct without explicit proof. To-night, Jayne admitted that he had engaged, Butler as his counsel in the Phelps & Dodge case, and that he had onsuited and paid him in several other cases. He did not say that he had paid Butler in any cases wherein no service was rendered. Upon referring to the case of Woodruff, Robinson & Co., on which Mr. Frank Moulton made an excellent speech to-day, before the Committee, Javne was going on to speak favorably of them, but was stopped by Mr. Moulton. who asked him not to defend them as their case was in and the public might think the firm was being

whitewashed. Jayne spoke in the highest terms of Mr. Dodge, personally' In the first part of his statement the detective spoke about himself as a poor country boy, and said he had now no interest in the moiety, and he would not advocate it. Money, he said, was no object to him now. Obloquy drives from New-York, the boy from the country with hayseed in his hair and grasshoppers on his coat. He said he was willing that the law of moieties should be repealed, a piece of information for which the Committee ought to be thankful. He replied to a question Mr. Foster, that he thought there was no intent in the case of Woodruff, Robinson & Co., but that the penalty of \$50,000 was taken as a warning to others in the same business. He further admitted that he had no adequate defence for taking so large a penalty in that case. In reply to Mr. Beck, he said the penalty in the Woodruff, Robinson & Co. case, is not yet distributed, but that the informer in that case, a man by the name of Hayes would have the informer's share and would pay to Jayne one-third of the amount received. Mr. Beck asked him if it was his idea of justice that an informer should have \$8,000, as in that case, in which it was admitted on all hands that there was no guilt and no intent. Javne replied that he thought the law gave it. and no man refused to pocket money. In this he no doubt had in mind the practice of his eminent counsel, but the latter will hardly appreciate the reasons which Jayne gave for resigning. He said he could not reform the Customs Service while bribe-takers were kept in office, and that as he was tired of associating with them he resigned in answer to Mr. Niblack, he said the public had a wrong idea of the money he received. He had been obliged to divide a good deal with others. He said he had not divided with any official in the Treasury Department except one, the Supervising Agent of the Department (probably Mr. Madge). The money was taken in Jayne's name. He continues to-mor-

Several merchants have written here to know it the resignation of Jayne had been accepted, as reported. The Secretary of the Treasury says that it was at once accepted upon receipt, and the fact is certainly entered on the records. It may be stated, however, that Frank E. Howe, also a Special Agent of the Jayne description, but less oppressive, is still in office and will probably give the merchants as much trouble as they can endure unless the law is repealed. Butler's adherents give out to-night that he intends to make a fearful onslaught on the merchants and importers of New-York and Boston, particularly on Phelps, Dodge & Co. His motive for attacking merchants in both cities is apparent-in Boston they opposed Simmons, and in New-York they oppose Jayne, both his

YESTERDAY'S PROCEEDINGS BEFORE THE COMMITTEE. THE WOODRUFF & ROBINSON CASE-JAYNE AGAIN-HE DEFENDS THE SEIZURE AND SEARCH LAW.

[GENERAL PRESS DISPATCH.] WASHINGTON, March 10 .- In the Committee on Ways and Means this morning a telegram addressed to Representative Shelden from the Collector at New-Orieans was read, asking the Committee to summon Mr.

Kinsella and Special Agent Lobdell, who are the best informed men in the country on customs matters. F. B. Moulton of the New-York house of Woodruff, Robinson & Co. made a statement saying that during the latter part of September he discharged a clerk from their concern, and immediately thereafter a rumor was started that they were guilty of irregularities against the Government. He went to see Jayne, and asked him to have the matter thoroughly examined. He wanted an investigation concerning their integrity, as their ouse was the largest of the kind in the country. He procured from Jayne a list of such books as he wanted. and farnished them. He did not seek to know any charge of the Government or to see the affidavit if there was one. The proof slip of an article prepared for a New-York paper was sent to him before it was pubshed. He therein found that it was said he had instructed a young man in the establishment to make entries in the eash-book for the purpose of defrauding the evenue, and entering them as incidental expenses, but that the conscience of the young man would not permit him to remain in their employ. He had addi-

ional reason for the discharge of the clerk. It was supposed the public press protects the merchants, no matter how much the Government and spewthem. In the presence of two editors of the paper he called attention to the falsehoods in the article. One them said that was news, and should be published. The other was a different sort of man, and said it should not be published. The article was, however, published. Mr. Moulton took the paper to the special agent, with the request that he investigate the facts, which he did. Mr. Moulton never knew who furnished the article for publication, but in the course of the investigation he received anonymous communications on the subject. He alinded to these things to show how editors may enter into collusions with lawyers to obtain a schedule of irregularities for the purpose of levying blackmail. The other day he happened to be at the Treasury Department with a newspaper man from New-York, when the Treasury agent present said he had never been consured by his

superior officers.

Mr. Moulton then spoke of the warehousing system and in this connection alluded to the salt case as connected with his house, arguing that intent should be onsidered in an allegation of frand. He had not an exalted opinion of spics and informers; they reminded him of a stene he witnessed in Florida-a flock of buz zards in a tree waiting the decomposition of an alligator so that they might pounce upon it. He shuddered when he thought of the present system of moleties, and be lieved the civilization of the world represented some

thing better than buzzards and alligators. During one year the house itself lost \$16,000 by the mismanagement of labor; but the system had been entirely altered. The amount due for the irregularities of delivery in advance of the permit was not more than \$4,000 or \$5,000, but the forfeiture involved \$5,000. The house paid \$50,000 in settlement, not as a confession, as the easiest way to settle the controversy.

Mr. Kelley said the case of the petitioners had neve been closed, and recalled B. G. Jayne, who explained the laws in relation to invoices, and the required oath as to the actual cost and the market value. The laws, e said, require verity and nothing more. There is no right to after the invoices, but addition must be made to the entry to make the market value. The goods must be invoiced as purchased. Duties must be assessed on the actual value, notwithstanding the goods are pur-

chased below the market value.

Jayne said : Gentlemen here ask the repeal of the seeond section of the act of 1867, which authorizes the seizure of books and papers on the warrant of the District Judge; and also the repeal of the provisions giving inoicties to officers and informers; the repeal of all pen-alties for violations of the law after the delivery of goods : and that the decision of officers at the time of mportation be conclusive for and against the importer, nd the Government; and that the penalty should be commensurate with the offense, and the forfeit of goods be limited to the goods not properly invoiced. These provisions were opposed on the ground that the law is unconstitutional, because it is contrary to the spirit of the age and unnecessarily severe and oppressive, because in its operation it has been found subject to abuses and further, because its tendency is to drive commerce out of American to foreign hands.

Mr. Jayue briefly argued the constitutional point in support of seizures of books and papers, remarking that there is a natural javersion to paying the exactions of the Government. He believed they were new on the the Government. He believed they were new on the home streich of eld times. The effects of the demoralzation growing out of the war were much more serious than the loss of life and blood. We are in a day of wild and extravagant speculation, and there is more evident He believed that frauds against the Government are lessening, and that there is an improvement in political and social morals. If laws are necessary at all, they are

necessary to protect the revenue of the United States and to protect honest merchans. The law is not too severest property administered.

It is the duty of Treasury Agents to perform the duties of their affice in the detection of frauds on the revenue, and they are subject to lines and penalties if they are unfaithful. He knew nothing of the business of professional informers. The books and papers of a house are taken on a warrant of a District Judge, it first being nec-

PRICE FOUR CENTS.

nity to explain. He wolfee. He replied that a pair waver handenfis in his office. He replied that a pair were left there by an officer of the Eastern District by accident. They had been handing up in a closet until now. After the investigation he resolved to keep them, owing to their historic value. One of the wristlets was locked and the other unlocked. He never as we he key. He would repeat here that never an unking word passed be tween him and an imporier.

The Committee then adjourned until 7 o'clock p. m.

Mr. Jayne resumed his statement before the Commitee on Ways and Means this evening. He had not comhere to defend any outrage that has been committed in the name of the law, or under the law. The Committee had been told that books and papers had been kept out of the hands of merchants, so that they were preventfrom settling their accounts or transacting their current business. He knew of no cases where persons have not been admitted at all times to see their books or take any data from them they may choose. Every possible facility is given to them. If wrongs are committed the courts are open at all times to hear griev ances, and if any order has been disobeyed the remedy is with the courts. The Committee had been told by a gentleman now present (Mr. Schultz) that he had been going around among merchants and feeling the pulse of various patients. He had all re spect for the honesty of purpose of that gentleman, but if you were to array all the convicts of all the penitentiaries in a row, and ask them 'Are you guilty !" there would be one universal " No." If it be true that abuses exist under the law, and men have been mulcted for technical errors, there should be such legislation as would do away with such abuses. The arguments that the present system would drive trade from American into foreign hands are not

ound and just.

rauds are committed—such frauds as have been called 'technical errors." Obtaining a clue to frauds, ho traced them to the end and made the wrong-doers tell trath. He procured indictments against certain men, but they had to be dropped because their books could not be used in criminal prosecutions. Their letters instructed their agents in Boston, New-Orleans, lusions for defrauding the revenue. He referred to a large manuscript book which he had brought with him to show from it numerous cases where frauds had been committed in the method described. It had been said that some Yankee has invented a process by which blood can be squeezed from a turnip, but Jayne said We don't know how that is done, bad as we are." The Government now loses 15 per cent of the revenue notwithstanding all the inducements to prevent fraud. If the law is wrong and op pressive, repeal or revise it, but when you attempt to act for the good of the entire people first inquire what kind of a law is necessary to protect the Government and the honest merchant. If the keeper of a mere corner grocery can be punished for a violation of the law, how much more should high American merchants be punished-men who have intelligence, and have a clear understanding of the law !

He then referred to various cases of frands and how

It had been said that he had made much woney; but he could have made more by a single transaction namely, by taking a check for a large sum of money to leave the city where he was not popular among those whose frauds he undertook to detect. There are but ew men who have a correct idea of the extent of the business of New-York. Sixty-nine per cent of the cus toms revenues is collected in that city. Over 45 per cent comes from coin paid as duties. Business is done in a hurry. It could not be transacted as deliberately as in a place where but two dug-outs and schooners arrive in a year It is a fact that the Consul's invoice cannot be used. It is not filed in the name of the consignee but in that of the consignor; and in a case of suspected fraud it takes a day to find a single triplicate involce in the car leads which are brought to the Custom-house. The business at New-York cannot be properly and accurately transacted with the force at present allowed and with in ome departments, the madequate salaries given.

Jayne, continuing his showing how frauds are con-

mitted, saidihe was not here to cover up wrong. Let those who have done wrong suffer for their misdeeds. But he was here to answer the severest indictment ever rought against a living man, and he was here to "tell the truth, the whole truth, and nothing but the truth," help bim God. In the course of his remarks, he said that he had always acted without passion or malice, his only motive being to serve the right and establish the several particulars. He would put his proposition in form. If there was anything wrong or doubtful in the oath prescribed, it should be made plain as daylight, so that ne man may err. But if you loosen the obligations men are under to pay taxes or revenue, you cannot Mr. Roberts of the Committee asked Jayne whothe

he, in any case, had taken from the merchants any books other thauthose bearing on the charges of franch Mr. Jayne replied that it was the intention in every case to confine the act of seizure to the commercial books of the house. Books had occasionally been taken other than those required, but not intentionally. He urther said that he had never opposed the settlemen of cases. He made recommendations only when the Secretary asked for them. He never jemployed counsel out once in a case before the Secretary, and that was to prevent a man from consummating a dishenorable

Mr. Foster inquired whom he employed as counsel. Mr. Jayne replied, Gen. Butler. On questions of law which he did not understand he had consulted that gentieman. He paid him \$1,500, besides the fee in the Phelps & Dodge case. He had consulted Gen. Better in

three or four other cases.

Mr. Foster asked the witness questions with regard to Mr. Poster asked the witness questions with regard to the case of Woodruff, Robinson & Co., and Mr. Jayno said he thought the amount they paid—\$50,000—was in excess. The information on which they were required to pay that amount originally came from a man named Hayes, formerly in their employment. In answer to another question he said the money had not yet been distributed, and that \$5,00 was more than Hayes ought to receive. Jayne, in reply to questions by Mr. Beek of the Committee, said that for steems in his charge so as were in consequence of collusion with Custom-house officers. He reported them to the Secretary of the Treasury. Some of those officers are now ont of places, but others are still in office. He reported the facts to the Secretary. It was no part of the functions of the Special Agent to do anything more than report the facts. He thought, however, that these men ought not to be in office.

Mr. Beck-You do not think it safe to carry on bush Mr. Beck. 101 do not a table to filed?

Mr. Jayne—While thieves are in office, I look on the seizure of books and papers as no better than highway robbery, and so I have quit. [Laughter.]

Mr. Niblack asked Jayne to explain the discrepancy between the actual sums paid and the sums reported in the seizure cases.

Mr. Jayne explained that it was owing to deductions for the navment of expenses.

Mr. Jayne explained that it was owing to deductions for the payment of expenses.

Mr. Kiblack said there was a rumor to the prejudice of an officer in the Treasury Department—namely, that Jayne had divided a portion of the molety wish a sanor-dinate in that department, whose hostility he did not care to incur.

Mr. Jayne replied that it was not true, but a gentleman there had information like himself concerning the same house. The information was discovered from the importer's books. He said to him (Jayne), "Let the case appear in your name." This was done, and they divided the money.

The Committee adjourned till to-morrow morning at 10 o clock.

MR. SCHULTZ'S ADDRESS BEFORE THE COMMITTEE.

COMMERCIAL AGENTS AND THEIR PECULIARITIES-THE MACHINERY OF IMPORTATIONS-OPPRESSIVE LAWS AND THEIR OPERATION-THE DEFECTIVE BUSINESS-SOME SPECIMEN CASES OF HARD SHIP-NO STATUTE OF LIMITATIONS-HOW THE CHANTS TO COMPROMISE.

Following is a verbatim report of the address of Mr. Jackson S. Schults before the House Committee

of Ways and Means, Saturday, March 7: MR. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE I am here to represent in part the merchants of Now-York, and in their name and on their behalf I desire to thank you here at the outset for the very patient and tives, having shown them every disposition to hear them

in their sufferings and their wrongs. I might appropriately commence my statement by

reading to you the authority under which we appear but inasseuch as our friends from Easton read before